

## Message Text

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61

ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

SIL-01 LAB-06 EB-11 AID-20 COME-00 OMB-01 OPR-02

INT-08 SCEM-02 NIC-01 TRSE-00 RSR-01 SY-10 USSS-00

/152 W

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P 022248Z AUG 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 5085

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EO 11652: N/A

TAGS: CI PINT

SUBJ: ALLENDE CALLS FOR CONTINUED DIALOGUE; TRUCK STRIKE  
CONTINUES

REF: SANTIAGO 3426

1. SUMMARY. PRES ALLENDE, REPLYING TO LETTER FROM PDC PRES. SEN PATRICIO AYLWIN, PROPOSED A WAY AROUND "THREE AREAS" CONSTITUTIONAL IMPASSE WHICH WOULD BE FOLLOWED BY DETAILED EXPLORATION OF POSSIBLE AREAS OF AGREEMENT ON OTHER CONTROVERSIAL SUBJECTS. ALLENDE SPECIFICALLY CALLED FOR CONTINUATION OF DIALOGUE; AYLWIN WILL REPORTEDLY MAKE PUBLIC REPLY TONIGHT. MEANWHILE, TRUCKERS STRIKE AND INVESTIGATION INTO MURDER OF PRESIDENT'S NAVAL AIDE CONTINUE, AND STRIKE OF MUNICIPAL BUSES MAY BE IMMINENT. END SUMMARY.

2. ALLENDE ISSUED PUBLIC LETTER MIDDAY AUG 2 REPLYING TO AYLWIN LETTER OF JULY 31. PRESIDENT REPEATED THEME THAT GOAL OF DIALOGUE IS TO SEEK "MINIMUM UNDERSTANDING" BETWEEN GOVT AND PDC. LEGAL IMPASSE SURROUNDING THREE AREAS CONSTITUTIONAL AMENDMENT  
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SHOULD NOT IMPEDE DIALOGUE, HENCE ALLENDE PROPOSED CONGRESS AND

EXECUTIVE JOINTLY DRAFT NEW CONSTITUTIONAL AMENDMENT SPECIFYING CONGRESS MUST HAVE TWO-THIRDS OF MEMBERS PRESENT OF BOTH HOUSES, REPRESENTING AT LEAST A MAJORITY OF SENATORS AND DEPUTIES IN OFFICE, TO OVERRIDE SUBSTITUTIVE OR SUPPRESSIVE EXECUTIVE VETOES TO CONSTITUTIONAL AMENDMENTS. REGARDING THREE AREAS AND PDC-SPONSORED LAND TENURE CONSTITUTIONAL AMENDMENTS, CONGRESS WOULD ISSUE DECLARATION THAT IT DID NOT "INSIST" ON ITS ORIGINAL LANGUAGE, THEREBY RESOLVING JURIDICAL DISPUTE, AT WHICH POINT ALLENDE WOULD THEN AGREE TO PROMULGATE BOTH AMENDMENTS, IN THE VERSION PASSED BY CONGRESS, AS PART OF TOTAL PACKAGE. COINCIDENTALLY, CONGRESS WOULD PASS LAWS ON WORKER PARTICIPATION, WORKER-CONTROLLED ENTERPRISES, GUARANTEES FOR SMALL AND MEDIUM FIRMS, ECONOMIC ACTIVITIES RESERVED FOR GOVT., DEFINITION OF LIMITS OF GOVT-CONTROLLED SECTOR OF ECONOMY, RULES FOR REQUISITIONS AND INTERVENTIONS OF BUSINESSES, AND ECONOMIC CRIMES. ALLENDE NOTED EXECUTIVE MESSAGES ON ALL THESE SUBJECTS EXCEPT LAST TWO HAVE LONG SINCE BEEN SENT TO CONGRESS. FINALLY, ALLENDE PROPOSED THAT ALL THREE CONSTITUTIONAL AMENDMENTS PLUS THE SEVEN LAWS BE PROMULGATED TOGETHER AS ONE PACKAGE.

3. ONCE THESE "FORMAL" AND JURIDICAL "OBSTACLES ARE OVERCOME, PRESIDENT CONTINUED, DISCUSSION OF THE "REAL" ECONOMIC, SOCIAL, AND POLITICAL PROBLEMS CAN START. ALLENDE CLAIMED SUBSTANTIAL AGREEMENT EXISTED ON GENERAL PRINCIPLES BETWEEN GOVT AND PDC, AS SHOWN IN VARIOUS AYLWIN STATEMENTS AND ALLENDE'S JULY 25 SPEECH. TO ACHIEVE DESIRED "MINIMUM UNDERSTANDING," THESE PRINCIPLES MUST BE DISCUSSED AND SPECIFIC AGREEMENTS REACHED.

4. A NEW CABINET AT THIS TIME "WOULD NOT CONTRIBUTE" TO SOLUTION OF NATION'S PROBLEMS. ALTHOUGH HE WILL CONTINUE TO CALL ON MILITARY TO ASSIST IN NATIONAL DEVELOPMENT, SAID ALLENDE, CHILEAN INSTITUTIONAL STRUCTURE RESTS ON POLITICAL PARTIES WHICH CANNOT AND SHOULD NOT ABDICATE THEIR FUNCTIONS.

5. GIVEN THE "HISTORIC RESPONSIBILITIES" OF BOTH SIDES AND THE OVERRIDING INTEREST IN CHILE, PRESIDENT CONCLUDED, "WE MUST CONTINUE THE DIALOGUE; I FORMALLY INVITE YOU TO CONTINUE OUR CONVERSATIONS."

6. AYLWIN WILL REPORTEDLY ANNOUNCE PDC REPLY THIS EVENING.  
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RIGHT-LEANING SEGUNDA, HOWEVER, QUOTED HIS FIRST IMPRESSION OF ALLENDE LETTER AS "DILATORY" AND "FAILING TO RECOGNIZE URGENCY AND GRAVITY OF PRESENT SITUATION."

7. TRUCKERS STRIKE CONTINUES UNRESOLVED. SEVERAL OPPOSITION GROUPS CONDEMNED VIOLENCE SURROUNDING FORCIBLE GOVT REQUISITION OF TRUCKS JULY 31 IN SAN BERNARDO AREU (REFTEL), AND PN THREATENED TO IMPEACH MININTERIOR BRIONES AS OUTGROWTH OF

PURPORTED VIOLATION OF CONGRESSIONAL IMMUNITY OF FIVE PN DEPUTIES INVOLVED IN INCIDENT. SCATTERED VIOLENCE REPORTED THROUGHOUT CHILE, PRINCIPALLY BOMB BLASTS ON RAILROAD LINES AND AGAINST OPERATING TRUCKS. ARMY UNIT STAGED ANOTHER ARMS RAID ON A VILARIN TRUCK PARK IN SOUTHERN SANTIAGO PROVINCE. OPPOSITION MEDIA STRESSING GROWING SHORTAGES OF FOODSTUFFS AND FUEL IN MANY AREAS; SANTIAGO WITNESSED INCIDENTS AUG 1 AND 2 INVOLVING ANGRY CITIZENS WAITING IN GASOLINE LINES, SOME AS LONG AS A MILE.

8. RODADO LEADERS MET AUG 1 WITH TOP GOVT OFFICIALS, AND ALL MADE SUBSEQUENT OPTIMISTIC NOISES ABOUT AVERTING POSSIBLE BUS STRIKE. HOWEVER, AFTER SAN BERNARDO INCIDENT, RODADO CONDITIONED FURTHER TALKS AND AVERSION OF STRIKE ON REMOVAL OF UNDERSEC TRANSPORTION JAIME FAIVOVICH BY NOON TODAY FROM ANY PARTICIPATION IN TRANSPORTATION AFFAIRS. GOVT ASKED FIVE-HOUR EXTENSION, BUT MUNICIPAL BUS STRIKE WIDELY BELIEVED TO BE IMMINENT. EL TENIENTE WORKERS, MEANWHILE, ARE ONCE MORE THREATENING TO STRIKE IF REMAINING 97 DISMISSED WORKERS ARE NOT REINSTATED.

9. NAVY PROSECUTOR HAS OFFICIALLY CHARGED (DECLARADO REO) SUSPECT JOSE RIQUELME IN CONNECTION WITH ARAYA MURDER. NO OTHER PERSONS ARE BEING HELD AT THIS TIME. GOVT OFFERED 10 MILLION ESCUDO REWARD, TO WHICH CUT ALLEGEDLY WILL CONTRIBUTE, FOR INFORMATION WHICH WOULD HELP SOLVE THE CRIME. NAVY PROSECUTOR AND SUPREME COURT-APPOINTED INVESTIGATING MAGISTRATE ARE BOTH CLAIMING JURISDICTION OVER ARAYA CASE, AND PRESS SPECULATED SQUABBLE COULD GET NASTY.

10. COMMENT. CONCILIATORY TONE OF ALLENDE LETTER AND EXPLICIT CALL TO CONTINUE DIALOGUE PUTS BALL BACK IN AYLWIN'S COURT, AN ESPECIALLY DIFFICULT POSITION FOR HIM SINCE MANY IMPORTANT PDC LIMITED OFFICIAL USE

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LEADERS HAVE APPARENTLY WRITTEN OFF DIALOGUE AND ARE CONSIDERING NEW ACTION ALTERNATIVES (REFTEL).

11. ACCORDING TO KNOWLEDGEABLE EMBASSY SOURCES, ALLENDE HAS BEEN DEEPLY AFFECTED BY ARAYA MURDER AND REPORTEDLY BROKE INTO TEARS AT ONE POINT DURING AUG 1 NATIONAL SECURITY COUNCIL MEETING ON CASE. ADDITIONAL IMPLICATION IS THAT CASE HAS STILL UNDISCOVERED OVERTONES.  
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